



**ORIENTAL MINDORO ELECTRIC COOPERATIVE, INC.  
(ORMECO, Inc.)**

✉ Brgy. Sta. Isabel, Calapan City  
☎ 043.288.7801 | 043.288.7802 | 043.288.7803 Fax No. 043.288.7804  
✉ E-mail: [ormeco\\_coop@yahoo.com](mailto:ormeco_coop@yahoo.com)  
🌐 Website: [www.ormeco-inc.com](http://www.ormeco-inc.com)

**BID BULLETIN NO. 1**

14 December 2022

In concurrence with the queries of the participating bidders during the Pre-Bid Conference held on 13<sup>th</sup> of December 2022, 10:00 am at Calapan Vendors Multi-Purpose Hall, Libis, Calapan City, determined the following clarifications of the Bidding Documents as follows:

Reference	Queries/Comments	TPBAC Answers
ITB 1 Scope of Bid	Kindly clarify the definition of Load-Following, if this is also regulating, mid-merit, and capable of black-start?	For this Transaction, the term “Load-Following” will be used to specify the mid-merit operational requirement of the power plant project. No requirement for black-start capability is stipulated. While not material to the evaluation of the Bid, the capability for the same could be considered an advantage during the breaking of Bids with the same Price.  The clarification on the operational definition shall be provided in a Bid Bulletin.  <i>Please see the amended ITB 2 Definition of Terms</i>
	Can the Load-Following also serve as Peaking and vice versa?	Yes, the Load-Following may serve as Peaking and vice-versa.
	Since the capacity of the existing EPSAs will expire in middle of Year 2023 is only 22MW, may we ask why ORMECO opted to contract beyond the 30MW Load-Following and 3MW Peaking? Regulators may take time in evaluating the need to immediately install and operate this large capacity for a 7-year contract since the resulting tariff might unduly burden the consumers through the UCME.	The resulting requirements were based on the approved PSPP and DDP which provide full detail of the supply-demand analysis of the power situation of Oriental Mindoro. This includes the forecasted demand and the optimum supply design for the least cost of electricity which was considered in the TOR for this CSP.  The TPBAC will provide the approved demand-supply situation across the Contract Duration for your reference.
ITB 1 Scope of Bid - 1.3	Please clarify why the schedule of Load-Following Capacity installation is ahead of the Base Load installation.	This is in reference to the current operating capacity and forecasted supply scenario of the franchise area which defines the requirement for

		the Load-Following capacity on June 2023 and Baseload capacity on March 2025.
	Will ORMECO have a separate billing meter for Load-Following and Peaking?	No, only one billing meter shall be provided for both Mid-merit and Peaking Requirement.
	May we suggest that the earliest COD be at least one (1) year upon award to the Winning Bidder? The Winning Bidder will only have a little less than four (4) months to apply for and comply with all the regulatory requirements if COD is June and August 2023, procurement and installation of equipment including substation might take time.	No. This proposition will affect the delivery schedule of the transaction which will result in an energy supply deficit.
ITB 1 Scope of Bid - 1.3  (continuation)	<p>Please clarify the purpose of specifying Roxas as the location of Load Following and Peaking considering that the 69kV line is already completed and fully energized.</p> <p>Since there is no technical restraint on the location, may we suggest that Load-Following/Peaking should not be limited to Roxas?</p> <p>It might be better if the capacities are spread in different locations for higher reliability for the following reasons:</p> <ol style="list-style-type: none"> <li>1. Voltages can be easily regulated;</li> <li>2. Capacities can be quickly added or reduced as needed;</li> <li>3. Licenses and Permits (such as ECC) for smaller capacities is easier to acquire;</li> <li>4. Problems on one site will not cause grid-wide blackouts; and</li> <li>5. In case of calamities that would cause unavailability of transmission lines, Plants can operate on island mode, giving end users faster access to electricity.</li> </ol> <p>On the other hand, if there are technical concerns in the location, may ORMECO consider requiring the IPP to set up at the load center of Oriental Mindoro?</p> <p>As mentioned in the Info Memo, may we request for a copy of the System Impact Study?</p>	This is based on the result of the System Impact Study (SIS) that ORMECO, Inc. provided to justify the locational requirement.
ITB 1 Scope of Bid - 1.4	With the COD and short contract duration, the fastest genset technology to install but not necessarily economical might be modular high-speed or 2nd hand	Yes, as prescribed and approved in the Joint Review among DOE, NEA, NPC, TransCo, and ORMECO.

	medium speed generating units only. Will the bid qualify as an “open technology” bid if the only usable and viable technologies are diesel and bunker?	
ITB 2 Definition of Terms	Please include Load-Following in the definition of terms and how this is different from Mid-Merit. Per Annex B, of DC2021-09-0030, these are different "Supply Side" items.	The clarification on the operational definition shall be provided in a Bid Bulletin. For this Transaction, the term “Load-Following” will be used to specify the mid-merit operational requirement of the power plant project.  <i>Please see Amended ITB 2 Definition of Terms</i>
ITB 2 Definition of Terms: Bidder	Please confirm that an entity who paid the participation fees but ultimately does not submit a bid before the scheduled deadline of submission is NOT considered a Bidder	Yes. The entity is considered to have forgone its rights as a Bidder if no Bid is submitted on or before the deadline of submission.
ITB 3 Transaction Schedule	Given that the due diligence period is from 21 December 2022 up to 9 January 2023 (mostly holiday season), there might be difficulties in securing required documents for the opening of bids on 10 January 2023 due to the unavailability of issuing parties especially the documents stated in Annex J A.h - Evidence of Ownership and Contract of Lease of land. May ORMECO consider reviewing and revising the transaction schedule?	No. Request for Adjustment of Schedule of Opening of Bid is denied. This proposition will affect the delivery schedule of the transaction which will result in an energy supply deficit.
ITB 4 Constituent Documents - 4.1	May we know when will the Bid Forms and draft PSA templates be provided?	The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.
ITB 4 Constituent Documents - 4.2	May we request the release of the ORMECO documents stated in ITB 10.2 be earlier than the scheduled Due Diligence starting 21 December 2022 especially the energy forecast and SLD? We will be needing these in the planning for Capex and O&M.	
ITB 5 Clarification and Amendments of Bidding Documents	Will the Bidders be allowed to request for clarifications and amendments even after the issuance of the Final Instruction to Bidders? ITB 5.1 and 5.2 may need to be clarified because they refer to the same three-day period when a Bidder can request for amendment or clarification and when the TPBAC can issue a bid bulletin. May we request for its reconciliation?	No. The TPBAC will not accept any request for clarifications and amendments upon the issuance of the FITB. Such requests will be accommodated only until 17 December 2022, 1159H.

ITB 6 Pre-Bid Conference -6.4	May we request that electronic copies, at no cost, be provided to us?	All Bidders shall be furnished with Electronic copies which shall be free of charge. For other requesting parties, an amount of 100 pesos per page cost reproduction shall be charged as per ITB 6.4
ITB 7 Eligible Bidders 7.1	May we please confirm that there are no prescribed templates or formats (including paper size and fonts) for some documents mentioned in the ITB?	There are no such requirements as long as these documents could be contained in the folder and/or envelope.
ITB 14.1.1 Legal Document Requirements - Folder 1 (e) (iii) and (g)		
ITB 7 Eligible Bidders	Can we request a clear definition of who will be considered a "Foreign Bidder". If an entity is duly registered in the Philippines under Philippine laws and has a valid local business license and is duly compliant with all its tax and other regulatory requirements but is majority owned by a foreign entity would it be considered a local or foreign bidder? If still considered as a foreign bidder, what proof will need to be submitted to establish reciprocity under 7.4.a,b,c?	All entities that are duly registered with the SEC are considered Philippine/local entities.
7.4 Foreign Bidders	The clarification requested here is a follow-on to item 1, above, on the definition of a bidder/non-bidder. Specifically on 12.1.e,f,g: is there any restriction against a non-bidder for supporting other Bidders with various scopes?	There are none.
ITB 10 Due Diligence - 10.1	See comment on ITB 3 Transaction Schedule.	
ITB 10 Due Diligence - 10.2	Can we request the documents to be provided earlier than 21 December 2022? This is for bidders to understand the 30MW requirement for Load Following especially since the existing EPSAs that will expire in 2023 cover only 22MW.	The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.
ITB 14 Eligibility Requirements	If we are going to bid for both Lot I and Lot II, will the bidders submit only 1 set (Original and Photocopy) of Eligibility Requirements? Only the Technical and Financial proposals are required to have separate envelopes for Lot I and Lot II.	Bidders will submit only 1 set (Original and Photocopy) of Eligibility Requirements. The Technical and Financial proposals are required to have <b>separate folders</b> for Lot I and Lot II, <b>inside one (1) Envelope 2</b> . Should a bidder intend to bid for both lots, their Envelope 2 must contain a total of four (4) folders: 1.) LOT I (FOLDER 1): ORIGINAL - TECHNICAL PROPOSAL;

		<p>2.) LOT I (FOLDER 2): ORIGINAL - FINANCIAL PROPOSAL;</p> <p>3.) LOT II (FOLDER 1): ORIGINAL - TECHNICAL PROPOSAL;</p> <p>4.) LOT II (FOLDER 2): ORIGINAL - FINANCIAL PROPOSAL;</p>
ITB 14 Eligibility Requirements - 14.1.4.1	Please correct the typo in Annex I. Eligibility Requirements under Legal Documents, items k to m. These are inconsistent with ITB 14.1.1 items k to m.	<p>The provision in the form and language as stated in ITB 14.1.1 will prevail.</p> <p><i>Please see the amended Annex I of the ITB</i></p>
ITB 14 Eligibility Requirements - 14.1.4.2 and 14.1.4.3	Please confirm if a separate letter authorizing the TPBAC or its duly authorized representatives to verify any or all of the documents for the eligibility is still necessary since Paragraph 5 of Annex G already includes this statement.	Yes, a separate letter authorizing the TPBAC or its duly authorized representatives to verify any or all of the documents for the eligibility is still necessary.
	Please confirm if a separate notarized statement stating that each document submitted in satisfaction of the Eligibility Requirements is an authentic and original copy or a true and faithful reproduction or copy of the original is still necessary since Paragraph 4 of Annex G already includes this statement and the same Annex G will be notarized by a notary public.	Yes, a separate notarized statement stating that each document submitted in satisfaction of the Eligibility Requirements is an authentic and original copy or a true and faithful reproduction or copy of the original is still necessary.
ITB 15 Bid Security - 15.2	For consistency and avoidance of confusion among the bidders, may we request the TPBAC to require a fixed amount for bid security instead of the 2% of Project Cost?	<p>Instead of the previous requirement of 2% of Project Cost, a fixed Bid Security in the amount of <b>PhP 2,000,000.00 per lot</b> shall be imposed among all Bidders.</p> <p><i>Please see the amended ITB 15.2</i></p>
ITB 15 Bid Security - 15.5	May we request that bidders be informed that the Winning Bidders have signed the PSA, so that other bidders could ask for the return of bid securities?	The TPBAC shall announce the signing of the PSA between the Winning Bidder and ORMECO among the Bidders through a letter so the corresponding request could be made.
ITB 16 Technical Proposal - 16.1	May we clarify if bidders may bid for only one Lot?	Yes.
ITB 16 Technical Proposal - 16.2 (e) ii.	May we request that this be reduced to 15-day buffer stock? For year 2022 there was no problem in availability of fuel supply in the market but the delay in fuel payments due to NPC budget issues resulted in IPP problems in fuel procurement.	<b>The 90-day contingency supply requirement will be changed to at least thirty (30) days.</b> This requirement only establishes fuel availability and the engagements made by the Bidder to its attainment as it provides security of electric service. Nonetheless, ORMECO ensures its adherence to the

		<p>promptness of its payments upon the commencement of the corresponding PSA.</p> <p><i>Please see amended ITB 16.2 (e) ii.</i></p>
ITB 16 Technical Proposal - 16.3	<p>Will an Affidavit/Undertaking that all agreements affecting supply of power will be within the cooperation period of the PSA suffice?</p>	<p>No. An affidavit of Undertaking does not equate to convincing evidence that the Bidder has acquired or is in the process of acquisition of the equipment, fuel supply, land, and others that will affect the delivery of the supply.</p> <p>However, a Memorandum of Understanding between the Bidder and Lot Owner/Supplier/Contracting Party will be considered and will suffice in compliance with the requirement.</p> <p><i>Please see the amended ITB 16.3</i></p>
ITB 17 Financial Proposal	<p>Under 17.2 and 17.3, the unbundled rates are all in PhP/kWh. So all quotes and payments are reckoned only energy provided and not on capacity? Even the Capacity Rate and the Fixed O&amp;M? As a follow on question, if payments are all energy-based, what happens in the extreme case that the prospective power plant is not called upon to dispatch power even if the capacity is fully available? No payments due?</p>	<p>A mechanism shall be provided in the corresponding PSA for the available energy instead of the purchased energy. This provides recovery of the IPP despite being under-dispatched or undispached during the Contract Duration.</p>
ITB 17 Financial Proposal - 17.7	<p>Kindly convert Bunker price to PhP/liter or the most recent MOPS fuel price in PhP inclusive of other incidental costs.</p>	<p>This will be provided in the Bid Forms</p>
	<p>Is the base value for Diesel VAT inclusive?</p>	<p>No.</p>
ITB 19 Bid Validity	<p>Will the bidder be required to execute a document to signify that the bid submitted is valid for a period of at least 120 calendar days from Deadline of Submission and Opening of Bids or is this already implied upon bid submission?</p>	<p>No document signifying the validity shall be required. ITB 19 shall suffice for this purpose.</p>
	<p>If a document needs to be executed, in what envelope should it be included?</p>	
ITB 20 Format and Signing of Bids - 20.4	<p>Only Envelope 2 was specifically mentioned, can we request for confirmation that the documents found on Envelope 1 - Eligibility Requirements need not be signed by the duly authorized representative on each page of all documents?</p>	<p>Each page of all documents enclosed in <b>Envelope 1 (Eligibility Documents) and Envelope 2 (Bid Proposal) must be signed</b> by the duly authorized representative(s) of the Bidder.</p>

		<p>All reproductions of legal documents submitted as part of the Bid shall be Certified True Copies.</p> <p><b>Failure to do so shall be a ground for the rejection of the bid and/or disqualification of the Bidder.</b></p> <p><i>Please see the amended ITB 20.4</i></p>
ITB 20 Format and Signing of Bids - 20.5	If the Bid Proposals for Lot I and Lot II will have separate envelopes, do we have to submit 2 USB flash drives for each envelope? (6 total: 2 for Envelope 1, 2 for Envelope 2 Lot I, and 2 for Envelope 2 Lot II)	Yes.
ITB 26 Evaluation of Compliance with Net Dependable Capacity and Monthly Available Energy Supply	For familiarization/refresher of the various computation for bid evaluation, may we request for conduct a virtual financial workshop?	Due to time constraints, the request for a workshop shall be denied. Any queries concerning its accomplishment shall be addressed directly to and accommodated by the TPBAC until 17 Dec 2022
ITB 26 Evaluation of Compliance with Net Dependable Capacity and Monthly Available Energy Supply - 26.2	May we request for the MS Excel template for the Financial Proposal bid form with complete formulas?	The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.
ITB 26 Evaluation of Compliance with Net Dependable Capacity and Monthly Available Energy Supply - 26.6	Please clarify if the computations will be for a per LOT basis or per type of supply (Baseload, Load-Following, Peaking).	The computations will be on a per-lot basis. Separate Bid Forms shall be provided for each Lot.
ITB 28 Determination of Lowest Calculated Bid (LCB) - 28.2	To avoid discrepancies between the submitted financial proposal and the TPBAC computation, please provide the complete bid evaluation excel template with formulas so the bidders can review beforehand the resulting levelized price from the base bid rates in the financial proposal.	The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.
TOR II. Guaranteed Dependable Capacity (GDC)	May we request that provision for N-1 capacity of Load-Following be used as Peaking capacity since the latter will only run for four (4) months in one year?	No.

TOR III. Type of Technology	The requirement is Open technology but the schedule of COD and Contract Duration might limit the feasible technologies to be used.	Both regulating agencies, i.e. the NEA and the DOE, required Open Technology for this Transaction.
	Please clarify if RPS compliance is not mandatory.	No, since the RPS compliance for Off-Grid Areas has been lifted as per DOE.
TOR IV. Contracted Energy	May we request a clear definition of Contracted Energy?	Contracted Energy means the energy in kilowatt-hours (kWh) from the guaranteed dependable capacity, supplied by the NPP to ORMECO, Inc. at the connection point as specified in the delivery schedule. This is the defined energy on the Term of Reference as deemed billing determinants in the tariff computation.
	Since our tariff computation will be based on this Contracted Energy, will ORMECO pay for any dispatch shortfall?	Yes. However, the Contracted Energy is subject to changes corresponding to the ERC approval.
	Please provide load curve.	The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.
TOR V. Contract Duration	Given the large capacity and capital requirements for this CSP, kindly clarify why Lot I have a contract duration of 68 months only and 89 months for Lot II. The contract duration might be too short for capital recovery. This would result in a higher tariff that will be borne by the grid consumers through the UCME. If the most recent ERC tariff would be followed as stated in this TOR, this might limit investors to this CSP since they would not be able to recover the capital, given the large capacity that would be installed and be operated in a short period of time.	As prescribed and approved in the Joint Review among DOE, NEA, NPC, TransCo, and ORMECO, the Contract Duration considered the (1) commencement of the Interconnection Project in February 2026 as per DOE's Transmission Development Plan (TDP) and the (2) expiration of ORMECO's franchise in October 2030.
TOR VII. Schedule of Delivery	Please see comment on ITB 1.3.	
TOR VIII. Tariff Structure	May we request:	The ERC-approved generation tariff shall be used as a baseline for the rates but not as an upper limit for the computation of Bids. There will be a Contracted Energy for the Peaking capacity. As such, this is effectively capacity-based.
	1. That the ERC-approved generation tariff not be used as basis because of the extreme fluctuations in forex rates and inflation caused by the Ukraine war.	
	2. The rate that should be considered is the lowest and responsive bid rate subject to the subsequent approval of ERC.	



	<p>3. The Tariff structure for Peaking requirement should be on a per kW-month basis (capacity-based) or please consider removing the Peaking capacity requirement for reasons stated in other comments (Ref. 29)</p> <p>4. A 2-tier tariff for the initial technology to be installed and another tariff for the 2<sup>nd</sup> technology.</p>	
TOR XII. Payment Modalities	Kindly clarify if the prompt payment discount (PPD) in the bid proposal is for tie-breaker purposes only.	Yes.
	We recommend that the PPD be included in the PSA provisions.	This will be included in the PSA.
TOR XVIII. Plant Capacity	Please clarify why N-1 is required for Peaking Plant if operation is limited to 4 months and replacement power is required.	The N-1 contingency is required across all operations per approved TOR.
	Under ITB 16.2 (b) (v), the technical proposal only requires "N-1 Contingency per site." Please clarify what prevails between this TOR clause and ITB 16.2.	For clarification, N-1 contingency shall be readily installed on the Site. The purpose of the Replacement Power is to maintain the GDC in case of (1) a delay in the delivery or (2) during unit breakdown/outage.
TOR XX. Nomination Protocol	May we seek assurance that the existing contracts would not be impaired?	Upon consultation with the DOE, the existing contracts shall not be affected by this Transaction and its corresponding PSA.
TOR XXII. Penalties	Will the winning bidder still be penalized for delayed COD if it was able to supply replacement power?	No. But the proposed rates shall be used in the calculation of electricity fees.
TOR XXIV. Grounds for Termination	Since there is no draft PSA provided, may we ask what are the other events of default aside from failure to secure ECC within six months upon approval of contract?	<p>The following documents will be provided on 14 December 2022: (a) Demand-Supply Scenario (2023-2030), (b) Bid Forms, (c) draft PSA, and (d) latest Single Line Diagram.</p> <p>Other events of default are specified in the Draft PSA.</p>
TOR XXVI. Interconnection of Mindoro Grid to the Main Grid	Given the capital investment for the capacity requirements, it might be unreasonable allowing a reduction of contract due to the reasons stated herein.	This provision was required by both NEA and DOE.
TOR XXVII. Interconnection to the Grid Par. 2, (a)	If at the time of transfer of rights ORMECO has a pending obligation to the winning bidder (Power Supplier), the winning bidder's consent should be sought for the transfer or assignment of rights.	The mechanism shall be finalized in the PSA and upon consultation with the DOE, ERC, NEA, and TransCo.
TOR XXVIII. Rate Review/ Repricing	Please consider removal of this term. On a monthly basis, there are movements in inflation, forex, and interest rates that reflect on the fuel price so there might be no need for repricing.	The purpose of the repricing is the evaluation of prevailing rates as against the proposed rates and the observation of their variance and causes.

	Also, the ERC will approve the PSA only once. Any subsequent repricing would mean submitting the same PSA for another ERC approval.	A rate application would only be applied if discrepancies from the proposed rates are material and exorbitant.
A. TECHNICAL PROPOSAL: Folder 1 (Envelope 2)	Since the submission of bids is already on 10 January 2023, the period for bidders to conduct legal and technical due diligence, 21 December 2022 to 9 January 2023, will be very tight because of the holidays, please consider revising the schedule of activities.	No. Request for Adjustment of Schedule is denied.
h. Convincing evidence that Bidder has acquired Ownership and/or Certification / Contract of lease for the land of each plant site	May we request that an Affidavit of Undertaking be accepted in lieu of Certificate of Ownership/Contract of Lease?  May ORMECO recommend possible site locations and issue Certificate of Lease.	No. An Affidavit of Undertaking would not suffice for the purpose. Furthermore, possible site locations are provided in the SIS to be distributed on 14 December 2022.
Annex H Monthly Contracted Energy	Is "Energy for Contracting" a guaranteed minimum energy offtake (MEOT) for the proposed power plant for purposes of contracting? Or are these just indicative figures for guidance but not guaranteed for purposes of contracting and payment?	Contracted Energy is different from Minimum Energy Offtake. Contracted Energy is imposed only on fixed revenue streams, i.e. Capital Recovery and Fixed O&M.
	Reconsideration of the location. Why in Roxas?	Locational Feasibility shall be indicated in the System Impact Study (SIS) to be provided to all bidders. (to attach SIS)
	Is it necessary to include power generation or power suppliers in one of our business interests in our business permits consider that our joint venture technical partners are independent power producers?	As per ITB 14.1.4.1 Valid Joint Venture Agreement, in case of a Joint Venture. Each member of the Joint Venture shall submit the required Eligibility Documents.
	ECC and COC application more than 6 months processing. The lead time for the delivery of the project is only 4 months. Will you consider revising the schedule?	The ITB, Transaction Schedule, and TOR shall prevail. ORMECO, Inc. shall assist the Winning Bidder and seek assistance with the Local Government Units for the endorsement to fast-track the ECC and COC Application of the Winning Bidder.
	Will there be penalty charges from ORMECO on stopped operation due to delay of payments on fuel subsidy?	If the Power Supplier cannot deliver the contract obligation, ORMECO shall charge the Power Supplier during the relevant period using the following formula: <i>Penalty FeeShortfall = Energy Shortfall * (CRF + FOM)</i>

	Can we include an exemption in the penalty clause if the delay is due to ECC and COC?	This will be included, provided that the delay is on the issuance of ERC and not in the non-application or noncompliance of the Bidder. To include in the provisions in the resulting PSA
	Clarification on different Billing Rates per technology.	Different technologies will be metered separately but the mixed/aggregated rate will be the basis for billing per lot.
	Clarification on Separate N-1 for Load following and Peaking.	As per ITB Separate N-1 for Load following and Peaking

For your information and proper guidance.

**(SGD) ENGR. JOHN EZEKIEL M. SANTIAGO, MBA**  
*Chairman*  
**Third-Party Bids and Awards Committee (TPBAC)**